

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1397 (St. Mary's County Delegation)
Ways and Means

**St. Mary's County Board of Education - Compensation and Expenses
of Members - Funding**

This bill requires that compensation and expenses of members of the St. Mary's County Board of Education be paid from the school system's operating funds.

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County expenditures could decrease by a minimum of \$2,400 in FY 1998. Revenues would not be affected.

Small Business Effect: None. Small businesses are not directly affected.

Fiscal Analysis

Local Expenditures: Under current law, the St. Mary's County Government is responsible for paying compensation and expenses for school board members. Based on county personnel policies, board members are entitled to receive health, life, dental, and vision insurance; however, no member has requested all the benefits for which the member is entitled. In fiscal 1998, compensation costs for the five members of the St. Mary's County Board of Education will total \$20,300 and fringe benefits will total \$4,244, of which \$2,371 is for insurance coverage.

Pursuant to this legislation, compensation and expenses for board members would be paid from the school system's operating funds. Since school personnel policy does not require that board member's receive insurance coverage, county expenditures in fiscal 1998 would decrease by \$2,371, assuming that the school system does not include such coverage in the

future (**Exhibit 1**). As shown in **Exhibit 2**, this legislation would save the county approximately \$20,000 annually if all five school board members had requested full insurance coverage under current county policy.

Exhibit 1
School Board Member's Compensation Expenses

	County Policy	School Policy	Difference
Compensation Stipend	\$20,300	\$20,300	\$0
Health/Life/Dental/Vision Insurance	2,371	0	(2,371)
Social Security	1,553	1,553	0
Workers' Compensation	320	320	0
Total Expenditures	\$24,544	\$22,173	(\$2,371)

Exhibit 2
Potential Insurance Cost for Board Members

Insurance Coverage	Monthly Premium Per Member*	Annualized Cost Per Member	Total Cost
Health	\$303	\$3,636	\$18,180
Dental	\$26.57	\$318.84	1,594.20
Vision	\$2.39	\$28.68	143.40
Life	\$1.08	\$12.96	64.80
Total Coverage	\$333.04	\$3,996.48	\$19,982.40

*based on cost for family package

Additional Comments: The St. Mary's County Board of Education advises that its fiscal 1998 school budget has already been submitted to the county board of commissioners without the \$20,300 needed to pay compensation for school board members.

Information Source: St. Mary's County, Department of Fiscal Services

Fiscal Note History: First Reader - March 10, 1997

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